

SUBCOMMITTEE NO. 5

Agenda

Gloria Romero, Chair
John Campbell
Mike Machado



Thursday, April 7, 2005
Upon Adjournment of Session
Room 112

OUTCOMES

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Department Budgets Proposed for Consent / Vote-Only**8140 STATE PUBLIC DEFENDER**

The Office of the State Public Defender (OSPD) was established in 1976 to provide indigent representation. Chapter 869, Statutes of 1997, revised the mission of the OSPD. The OSPD is now required to concentrate on post-conviction proceedings following a judgment of death. Specifically, the OSPD is limited to representing capital appellants only for the purpose of the direct appeal for all cases to which the OSPD was appointed after January 1, 1998.

Budget Request. The budget proposes \$11.3 million from the General Fund, which is a decrease of \$96,000 from anticipated current-year expenditures. The administration did not submit any Budget Change Proposals for this item.

8180 PAYMENTS TO COUNTIES FOR THE COSTS OF HOMICIDE TRIALS

It is state policy that (1) the uniform administration of justice throughout the state is a matter of statewide interest, (2) that the prosecution of trials of persons accused of homicide should not be hampered or delayed by any lack of funds available to the county for such purposes, and (3) that the cost of homicide trials should not seriously impair the finances of a county. Government Code Sections 15200 through 15204 implement these policies by allowing a county to apply to the Controller for reimbursement of specified costs of homicide trials and hearings. The reimbursement formulas vary by population of the county and provide for reimbursement of a specified percentage of one percent of the full value of property assessed within the county.

Budget Request. The budget proposes total expenditures of \$4.3 million from the General Fund. This is a decrease of \$441,000 from the current year.

9670 GOVERNMENT CLAIMS BOARD AND SETTLEMENTS AND JUDGMENTS BY THE DEPARTMENT OF JUSTICE

The budget for this item reflects statewide expenditures for equity claims against the state approved for payment by the California Victim Compensation and Government Claims Board and settlements and judgments against the state sponsored by the Department of Justice. Payment of these claims is provided to claimants through the passage of special legislation.

Budget Request. Similar to the last several years, the budget does not propose any General Fund appropriation for this purpose. Claims under \$35,000 from General Fund agencies would be paid from the base budget of the effected agency. Special Fund departments (such as the Department of Transportation) would also have the authority under this item to pay claims up to \$35,000 with DOF approval. To enable these departments to continue to pay special fund claims pursuant to this authority, the DOF is proposing to leave Item 9670 in the Budget Bill, with the provisional language addressing special funds, minus the General Fund appropriation.

Staff Comments. The proposed language is identical to the language that was approved by the Legislature for the past several years.

CONTROL SECTION 5.25 – PAYMENTS FOR LITIGATION

Control Section 5.25 provides that payments for any attorney fee claims, settlements, or judgments arising from actions in state court against a state agency or officer shall be paid from appropriations in the Budget Act that support the affected agency.

Staff Comments. The proposed language is identical to the language approved in previous years.

CONTROL SECTION 24.10 – DRIVER TRAINING FUND TRANSFERS

Background. The Driver Training Penalty Assessment Fund receives funds from a portion of the State Penalty Assessment Fund. Historically, using Control Section 24.10, specified portions of the Driver Training Penalty Assessment Fund have been transferred to the Victim/Witness Assistance Fund, the Peace Officers' Training Fund, and the Corrections Training Fund, with the remaining balance going to the General Fund.

Proposed Language. Proposed budget bill language would transfer up to \$14 million to the Peace Officer Training Fund, up to \$4.1 million to the Victim Witness Assistance Fund, and an estimated \$19.7 million to the General Fund. The language is similar to language approved in the last several years.

Staff Comments on Department Budgets Proposed for Consent / Vote-Only. No issues have been raised on the proposed consent / vote-only departments.

Action.

Consent Calendar approved 3-0

Department Budgets Proposed for Discussion

1870 California Victim Compensation and Government Claims Board

The California Victim Compensation and Government Claims Board, formerly known as the Board of Control, consists of three members: the Director of General Services who serves as the chair; the State Controller; and a public member appointed by the Governor. The primary functions of the Board of Control are to: (1) compensate victims of violent crime and eligible family members for certain crime-related financial losses, (2) consider and settle all civil claims against the state, (3) provide equitable travel allowances to certain government officials, (4) respond to bid protests against the state alleging improper or unfair acts of agencies in the procurement of supplies and equipment, and (5) provide reimbursement to counties for special elections expenditures.

Budget Request. The budget proposes \$133.3 million (\$101.4 million from the Restitution Fund and \$31 million federal funds), which is an increase of \$4.1 million, or 3.2 percent from anticipated current-year expenditures. Of the total proposed expenditures, \$124.1 million is proposed for the Citizens Indemnification Program, which indemnifies those citizens who are injured and suffer financial hardship as a direct result of a violent crime. This represents an increase of \$4 million, or 3.4 percent, for this program from estimated current-year expenditures.

California Victim Compensation and Government Claims Board -- Program Expenditures					
Program	<i>Expenditures (dollars in thousands)</i>				Percent
	2003-04	2004-05	2005-06	Change	Change
Citizens Indemnification	\$105,490	\$120,085	\$124,121,	\$4,036	3.4%
Quality Assurance & Revenue Recovery	7,578	8,211	8,251	\$40	0.5%
Disaster Relief Claim Program	7	19	19	\$0	0.0%
Civil Claims Against the State	803	843	876	\$33	3.9%
Citizens Benefiting the Public (Good Samaritans)	13	20	20	\$0	0.0%
Administration	7,807	7,807	7,872	\$65	0.8%
Distributed Administration	-8,905	-8,095	-8,169	\$74	0.9%
Executive Office Administration	288	288	297	\$9	3.1%
Totals, Programs	\$113,891	\$129,178	\$133,287	\$4,109	3.2%
Total Authorized Positions	295.1	301.1	301.1	0	0.0%

California Victim Compensation and Government Claims Board – Source of Funding					
Fund	<i>Expenditures (dollars in thousands)</i>				Percent
	2003-04	2004-05	2005-06	Change	Change
General Fund	782	\$0	\$0	\$0	0.0%
Restitution Fund	111,513	88,942	101,376	12,434	14.0%
Federal Trust Fund	1,568	39,374	31,016	-8,358	-21.2%
Reimbursements	28	862	895	33	3.8%
Totals, Programs	\$113,891	\$129,178	\$133,287	\$4,109	3.2%

Board Issues Proposed for Consent / Vote-Only**1. Proposed Cleanup for SB 1102.**

Budget Request. The administration proposes trailer bill language to make the following changes to statutes enacted by budget trailer bill SB 1102 (Chapter 227, Statutes of 2004):

- Eliminate a 15 percent surcharge to state agencies for approved stale-dated warrants claims.
- Strike language to require claimants to apply for permission from the courts to proceed “in forma pauperis” before being eligible for a fee waiver, and insert criteria to be used by the Board to determine if a fee waiver is warranted.
- Provide that the Board can request the Controller to provide direct transfer of agency surcharges to the Board.

Background. Last year, the Legislature approved trailer bill language that converted the Government Claims Program from a General Fund supported program to one that is funded from a combination of claimant filing fees and reimbursements from state agencies.

2. Finance Letter – Mandate.

Finance Letter Request. The administration has submitted budget bill language to suspend the Adult Felony Restitution mandate. This mandate has been suspended for the past several years and was proposed to be suspended in the budget year. The technical language suspending the mandate was not included in the budget bill.

Staff Comments Regarding the Proposed Consent / Vote Only Issues. No issues have been raised regarding these proposals.

Action.

Consent Issues approved 3-0

8120 Commission on Peace Officer Standards and Training (POST)

The Commission on Peace Officer Standards and Training (POST) is responsible for raising the competency level of law enforcement officers by establishing minimum selection and training standards, improving management practices, and assisting local law enforcement agencies in providing necessary training and career development programs.

Budget Request. The budget proposes a total of \$60.8 million, which is an increase of \$6.1 million, or 11.1 percent from the current-year budget. This increase is due primarily to an increase of \$4.5 million for state-mandated local programs. The budget proposes to fund the previously deferred Domestic Violence Arrest Policies and Standards mandate (Chapter 246, Statutes of 1995).

Funding within POST supports law enforcement training needs such as developing and certifying courses that meet identified training needs; quality control of POST-certified courses, management and leadership training; and identifying emerging training needs. The budget proposes expenditures of \$55 million from the Peace Officer's Training Fund (POTF).

POST Funding Sources					
Funding Source	<i>(dollars in thousands)</i>			Change	Percent Change
	2003-04	2004-05	2005-06		
General Fund	\$0	\$1	\$4,509	\$4,508	n/a
Peace Officers' Training Fund	46,531	53,471	55,016	1,545	2.9%
Reimbursements	915	1,259	1,259	0	0.0%
Totals, All Funds	\$47,446	\$54,731	\$60,784	\$6,053	11.1%

The table below shows the proposed program expenditures for the POST.

POST Program Expenditures					
Program	<i>Expenditures (dollars in thousands)</i>				Percent Change
	2003-04	2004-05	2005-06	Change	
Standards	\$6,793	\$6,833	\$5,105	-\$1,728	-25.3%
Training	25,547	26,375	29,226	2,851	10.8%
Peace Officer Training	15,106	21,522	21,944	422	2.0%
Administration	4,671	5,267	5,649	392	7.4%
Distributed Administration	-4,671	-5,267	-5,649	-392	7.4%
State-Mandated Local Programs	0	1	4,509	4,509	n/a
Totals, Programs	\$47,446	\$54,731	\$60,784	\$6,053	11.1%
Total Authorized Positions	109.0	108.6	114.0	5.4	5.0%

Budget Issues for Discussion**1. Position Restorations**

Budget Request. The budget proposes \$721,000 from special funds and 6 positions to restore positions that were eliminated in 2002-03 and 2003-04. POST requests restoration of the following positions:

- Law Enforcement Consultant (LEC) position to field queries for management and feasibility studies.
- LEC position to develop and maintain the Instructor Development Plan.
- LEC position to develop and maintain the curriculum for the Institute for Criminal Investigation.
- Office Technician position to process 25,000 Basic Course students per year.
- Graphic Designer position to continue the move to online availability of publications.
- Librarian positions to develop and support Clearinghouse sites.

Staff Comments. In 2002-03 and 2003-04, the budget for POST was reduced by 20.3 positions and \$1.3 million in various budget reductions. The eliminated positions were either previously vacant positions or positions that have never been established.

Action.

Request approved. Vote: 2-1 (Campbell, no)

2. Mandates

Budget request. The budget proposes \$4.5 million from the General Fund to fund the Domestic Violence Arrest Policies and Standards mandate. This mandate had been deferred in the current-year. Due to the passage of Proposition 1A, mandates can no longer be deferred.

The administration has proposed to suspend the following mandates:

Elder Abuse Law Enforcement Training (Chapter 444, Statutes of 1997).

Law Enforcement Sexual Harassment Training (Chapter 126, Statutes of 1993).

These two mandates have been suspended for the past several years.

Staff Comments. No issues have been raised concerning this proposal.

Action.

Approved as budgeted. (Vote: 3-0)

Senator Machado and the Subcommittee raised concerns about the importance of Elder Abuse Training.

0690 Office of Emergency Services

The Office of Emergency Services (OES) coordinates emergency activities to save lives and reduce property losses during disasters and acts as the state's conduit for federal assistance related to recovery from disasters. The emergency planning is based on a system of mutual aid in which a jurisdiction first relies on its own resources and then call for assistance from its neighbors. OES also serves as the agent for the state's Office of Homeland Security regarding the strategy and distribution of federal homeland security funds.

Office of Emergency Services – Program Expenditures					
Program	<i>Expenditures (dollars in thousands)</i>				
	2003-04	2004-05	2005-06	\$ Change	% Change
Mutual Aid Response	\$16,421	\$16,255	\$16,499	\$244	1.5%
Plans and Preparedness	252,146	245,923	246,306	383	0.2%
Disaster Assistance	631,792	637,587	600,658	-36,929	-5.8%
Criminal Justice Projects	109,111	207,840	204,127	-3,713	-1.8%
CA Anti-Terrorism Information Center	3,350	6,700	6,700	0	0.0%
Administration and Executive	6,294	6,372	6,383	11	0.2%
Distributed Administration and Executive	-5,399	-5,477	-5,477	0	0.0%
Office of Homeland Security		2,987	3,957	970	32.5%
Unallocated Reduction		-354	-614	-260	73.4%
State Mandated Local Programs	0	2	255	253	n/a
Totals, Programs	\$1,013,715	\$1,117,835	\$1,078,79	-\$39,041	-3.5%
Total Authorized Positions	431.8	468.7	486.2	17.5	3.7%

Office of Emergency Services – Source of Funds					
Program	<i>Expenditures (dollars in thousands)</i>				
	2003-04	2004-05	2005-06	\$ Change	% Change
General Fund	\$107,413	\$140,445	\$100,135	-\$40,310	-28.7%
Unified Program Account	612	637	654	17	2.7%
Nuclear Planning Assessment Special Account	2,813	3,397	3,145	-252	-7.4%
Local Prosecutors & Public Defenders Training Fund	432	864	866	2	0.2%
Victim Witness Assistance Fund	8,341	16,683	16,726	43	0.3%
State Assistance for Fire Equipment Account	100	100	100	0	0.0%
Federal Trust Fund	885,823	947,000	947,821	821	0.1%
Reimbursements	8,181	8,709	9,247	538	6.2%
Antiterrorism Fund	0	0	100	100	n/a
Totals, All Funds	\$1,013,7	\$1,117,83	\$1,078,79	-\$39,041	-3.5%

Budget Request. The budget proposes total expenditures of \$1.1 billion (\$100.1 million General Fund) for state operations and local assistance, a decrease of \$39 million from the estimated current year expenditures. The majority of funding for OES is local assistance (\$1 billion).

OES Summary of Program Budget Amounts by Fund – Local Assistance			2005-06		
(Dollars in Thousands)					
Program	Total	Fund Source			
		General Fund	Federal Fund	Special Fund	Reimb.
Victim Services					
Victim Witness Assistance	\$10,871			\$ 10,871	
Victim’s Legal Resource Center	41	\$41			
Domestic Violence	11,481	2,730	\$8,751		
Family Violence Prevention	50	50			
Violence Against Women Act (VAWA)	12,990		12,990		
Rural Domestic Violence/Child Victimization	571		571		
Mentoring Children	260		260		
Rape Crisis	3,720	50		3,670	
Rape Prevention (DHS)	5,571				\$5,571
Homeless Youth	396	396			
Youth Emergency Telephone Referral	127	127			
Child Sex Abuse & Exploitation	978	0		978	
Child Sex Abuse Prevention & Training	302	302			
Victims of Crime Act (VOCA)	40,698		40,698		
Mandates Claims Bill	255	255			
Subtotals- Victims Services	\$76,317	\$968	\$59,830	\$15,519	\$0
Public Safety					
Community Crime Resistance	\$231	\$231			
War on Methamphetamine	15,000	15,000			
Career Criminal Apprehension	866	866			
Career Criminal Prosecution	3,637	3,637			
Major Narcotics Vendors Prosecution	2,641	2,641			
Serious Habitual Offender	137	137			
Vertical Prosecution of Statutory Rape	6,770	6,770			
Elder Abuse Vertical Prosecution	2,000	2,000			
Child Sex Assault Prosecution	1,304	1,304			
Evidentiary Medical Training	648	648			
Forensic Sciences Improvement Act	358		\$358		
Children’s Justice Act (CJA)	1,850		1,775		\$75
Vertical Defense of Indigents	172	172			
Public Prosecutors/Defenders Training	800	8		\$792	
Byrne Fund	52,118		52,118		
Residential Substance Abuse Treatment	9,135		9,135		
Local Law Enforcement	882		882		
Peace Officer Protective Equipment	1,275		1,275		
High Tech Theft Apprehension/Prosecution	13,518			13,518	
Suppression of Drug Abuse in Schools	2,416	690			1,726
Gang Violence Suppression	4,063	2,085	1,005		973
Multi Agency Gang Enforcement Consortium	93	93			
Juvenile Justice & Delinquency Prevention	6,060		6,060		
Community Delinquency Prevention	5,002		5,002		
Juvenile Accountability Incentive	21,769		21,769		
Juvenile Justice—Project Challenge	1,114		1,114		
Rural Crime Prevention	3,341	3,341			
Subtotals – Public Safety	\$157,200	\$39,623	\$100,493	\$14,310	\$2,774
Totals, Local Assistance	\$233,517	\$40,591	\$160,323	\$29,829	\$2,774

OES Issues Proposed for Consent / Vote-Only

Issue Title	Positions	Dollars
1. Volunteer Disaster Service Worker program. Requests funding to augment the program that provides workers' compensation benefits (loss of wages and medical coverage) to volunteer disaster service workers who are injured while participating in approved disaster-related activities. Funding for this program would increase from \$663,000 to \$1,125,000 annually. (General Fund)		\$462,000
2. Mentoring Children of Prisoners. Requests funding for the Mentoring Children of Prisoners Grant Program. The OES, in partnership with Walden House, completed an application for these funds. (Federal Funds).		\$270,000
3. Project Safe Neighborhoods. Requests funding to act as fiscal agent in the implementation of the Project Safe Neighborhoods program. (Federal Funds).	1.0	\$90,000
4. Homeland Security Awareness Training. Requests 3.5 limited term positions and \$538,000 in reimbursements from the Military Department to the California Specialized Training Institute for development and provision of terrorism awareness training.	3.5	\$538,000
5. CALGANG Project. Requests to transfer \$300,000 from the Gang Violence Suppression Program to the CALGANG program. The CALGANG project is an automated gang intelligence database system that provides intelligence information to assist local law enforcement agencies in order to solve gang-related crimes. (General Fund)		
Capital Outlay Request.		
6. New Headquarters Perimeter Fencing. Requests funding for the construction phase of the installation of steel tube perimeter fencing at the new OES headquarters. (General Fund)		\$1,493,000

Staff Comments. No issues have been raised concerning these requests.

Action.

Item #6 removed from the consent calendar and held open. Issues 1-5 approved on consent. (Vote: 3-0)

OES Issues for Discussion

1. Grant Administrative Workload Increase.

Budget Request. This proposal requests 9 positions to address workload increases created by the closure and programmatic transition of OCJP criminal justice programs and the addition of the Office of Homeland Security to OES. OES administrative staff have been unable to adequately support fiscal operations necessary to support ongoing emergency management programs, and the new homeland security and criminal justice grant programs. OES indicates that funding in the amount of \$605,000 will be redirected from within existing resources for these positions.

Staff Comments. When the functions of OCJP were consolidated with OES, 50 primarily administrative positions were eliminated as part of the cost savings. The Subcommittee may wish to ask OES to describe the need for these positions and to provide additional detail regarding what monies will be transferred to fund these new positions, and what impact it will have on those activities currently funded.

Action

Issue held open pending additional information on the need for the positions.

2. Local Assistance Reduction – Criminal Justice Programs

Budget Request. Page 8 of the agenda highlights the local assistance programs funded through OES. The budget proposes a reduction of \$4 million to certain public safety local assistance grant programs. The proposal eliminates funding for the following programs: Community Crime Resistance Program (\$231,000); Career Criminal Apprehension Program (\$866,000); Serious Habitual Offender Program (\$137,000); Vertical Defense of Indigents (\$172,000); and Drug Abuse Suppression in Schools Program (\$690,000). In addition, the Rural Crime Prevention Program is reduced by \$1.9 million from \$3.3 million.

The OES indicates that these programs were targeted for cuts to minimize the impacts on priority law enforcement operations.

- Three of the grants do not currently have any funded grant recipients (Career Criminal Apprehension, Serious Habitual Offender, Vertical Defense of Indigents) due to delays in selecting new grantees in the current year. Current year funding for these programs will revert to the General Fund on June 30, 2005.
- The Community Crime Resistance Program and the Drug Suppression in Schools Program were selected for elimination to minimize the impact on priority law enforcement operations statewide. Both of these programs focus on prevention/education efforts with very little focus on law enforcement efforts.
- The Rural Crime Prevention Program was also selected for reduction to minimize the impact to priority law enforcement operations statewide, since this program only funds eight counties in one specific geographical region to address a specific type of crime in rural areas.

Current allocation of Rural Crime Prevention Program

Fresno	\$769,625	Merced	\$284,125
Kern	\$575,625	San Joaquin	\$284,125
Kings	\$284,125	Stanislaus	\$284,125
Madera	\$186,625	Tulare	\$672,625

Action.

Approved as budgeted. (Vote 3-0)

3. Informational Issue -- Status of Federal Funds

Page 8 of the agenda highlights the funding levels for local assistance criminal justice grants that were transferred to OES in January 2004, with the elimination of the Office of Criminal Justice Planning (OCJP). At the time of the transfer, a number of issues emerged related to the transfer of the functions.

Federal Government Froze Funding for Several Grants. As a result of inadequate accounting reports from OCJP at the time of the transfer of the grants to OES, federal agencies froze the federal funding for certain grants in October 2003. In May 2004, the federal agencies agreed to provide interim funding on the condition that the accounting records were accurately reconstructed. The grantees of these federal and state funds include local governments, law enforcement agencies, and community-based organizations. As noted in the previous issue, the awards from several federal grants were frozen after the transition to OES. The OES reports that funds from the following grants remain frozen:

EDWARD BYRNE MEMORIAL FUND: The Federal Fiscal Year (FFY) 2004 funds were awarded to OES and have been allocated to the field. There are funds from FFY 2002 and FFY 2003 that are on hold pending the reconstruction and reconciliation of the records so that the old awards can be closed out and the balances re-awarded to OES. It is anticipated that the funds will be re-awarded by the end of June.

RESIDENTIAL SUBSTANCE ABUSE TREATMENT: There was no Federal allocation of FFY 2004 funds. There are funds from FFY 2002 and FFY 2003 currently on hold pending the reconstruction and reconciliation of the records so that the old awards can be closed out and the balances re-awarded to OES. It is anticipated that the funds will be re-awarded by the end of June.

VIOLENCE AGAINST WOMEN ACT SERVICES-TRAINING-OFFICERS-PROSECUTORS PROGRAM: The FFY 2003 and FFY 2004 funds were awarded to OES and have allocated to the field. There are funds from FFY 2002 currently on hold pending the reconstruction and reconciliation of the records so that the old award can be closed out and the balance re-awarded to OES. It is anticipated that the funds will be re-awarded by the end of June.

VICTIMS OF CRIME ACT: The FFY 2003 and FFY 2004 funds were awarded to OES and have been allocated to the field. There are funds from FFY 2002 currently on hold pending the reconstruction and reconciliation of the records so that the old award can be closed out and the balance re-awarded to OES. It is anticipated that the funds will be re-awarded by the end of June.

Staff Comments. Funds from FFY 2002 will revert to the federal government if they are not expended by the end of the current federal fiscal year. The Subcommittee may wish to get an update on any funds that are at risk for reversion to the federal government.

Informational Issue.

4. Homeland Security Grants

The mission of the Office of Homeland Security (OHS) is to develop and coordinate the implementation of a comprehensive strategy to coordinate security activities throughout the state. The Director of OES reports to the Director of OHS. The table below summarizes the federal homeland security grants administered by the OHS.

OHS Federal Homeland Security Grants		
<i>Federal Fiscal Years 2000 Through 2004</i>		
Grant Program (Federal Grant Year)	Authorized Activities	Amount (In Millions)
State Domestic Preparedness Grants (2000, 2001, and 2002)	Purchasing personal protective equipment (PPE) and conducting exercises for first responders.	\$39.6
State Homeland Security Grants (2002, 2003, and 2004)	Planning, training, and purchasing PPE for first responder agencies.	339.8
Urban Area Security Initiative Grants (2003 and 2004)	Planning, training, purchasing PPE, and paying for overtime costs during periods of elevated threat levels for large urban areas.	203.9
Total		\$583.3

Expenditure of Homeland Security Grants. The LAO indicates that federal reports have found that other states and local agencies experienced spending problems due to state and local procurement laws and regulations and equipment reimbursement practices. To determine the extent to which this is a problem in California, the LAO reviewed the state's expenditure rates for homeland security grants. For the OHS administered grant programs, only 23 percent of the grant funds have been spent. For its 2000 through 2002 grants, OHS has an average expenditure rate of 75 percent. The most recent 2003 and 2004 grants, however, have a much lower average expenditure rate of 18 percent. The LAO notes that some funds have been obligated but not yet spent and that virtually all of OHS grant money has been encumbered.

Federal Homeland Security Grant Expenditures				
<i>(Dollars in Millions)</i>				
Grant (Federal Grant Year)	Received	Spent	Remaining Balance	Percent Spent
State Domestic Preparedness Grants (2000, 2001, and 2002)	\$39.7	\$36.2	\$3.5	91%
State Homeland Security Grants (2002, 2003, and 2004)	339.7	80.7	259.1	24
Urban Area Security Initiative Grants (2003 and 2004)	203.9	17.9	185.9	9
Totals	\$583.3	\$134.8	\$448.5	23%

LAO Recommendations.

Require Homeland Security Strategic Plan and Annual Expenditure Report.

Proposed Budget Bill Language regarding development of a statewide strategic plan:

The Office of Homeland Security, in collaboration with the Department of Health Services, shall report to the Chairperson of the Joint Legislative Budget Committee, and the chairperson of the budget and policy committees of each house of the Legislature on or before January 10, 2006, a statewide strategic plan for the use of federal homeland security and bioterrorism funds by all departments and local jurisdictions. The plan shall include the state's goals and objectives for improving the state's level of preparedness for a terrorism event, which 1) is based on an assessment of the state's level of preparedness and 2) reflects a coordination of preparedness activities at the state and local level. It is not the intent of the Legislature to require the Office of Homeland Security or the Department of Health Services to disclose or include sensitive or classified information in the strategic plan.

Proposed trailer bill language regarding an annual expenditure report:

Section x. The Office of Homeland Security, in collaboration with the Department of Health Services, shall annually report to the Chairperson of the Joint Legislative Budget Committee, and the chairperson of the budget committees of each house of the Legislature on or before January 10, its expenditures of federal homeland security and bioterrorism funds. This report shall include: 1) descriptions of the grant expenditures and coordination activities at the state and local level that have occurred over the past year; 2) how those activities met the state's strategic goals and objectives; 3) the funding amounts awarded to local jurisdictions and specific departments; 4) the funding levels by grant and grant year that have been expended, encumbered, and unencumbered; 5) any challenges that the departments or local jurisdictions encountered that hindered the expenditure of these funds; and 6) the areas of focus for the upcoming year. It is not the intent of the Legislature to require the Office of Homeland Security or the Department of Health Services to disclose or include sensitive or classified information in the strategic plan.

Set Legislative Priorities for Homeland Security Funding.

Proposed budget bill language regarding Priorities for Homeland Security Funding.

It is the intent of the Legislature that the funding priorities for federal homeland security funds are: (1) enhancing information sharing between local, state, and federal public safety agencies; (2) identifying and protecting critical infrastructure and key assets to deter terrorists; (3) enhancing coordination of state agencies' homeland security activities; (4) implementing the state's homeland security strategy; and (5) implementing interoperable communications for public safety agencies.

Action:

Approved the bbl regarding the statewide strategic plan (with changes underlined above), the tbl regarding an annual expenditure report (with changes underlined above), and the bbl regarding funding priorities. Vote: (3-0).

5. Office of Homeland Security Grant Administration.

Budget Request. This proposal requests 19 limited-term positions and \$1.8 million (\$1.7 million federal funds and \$100,000 Antiterrorism Fund) to manage current and future federal homeland security grants. Up to 3 percent of the total award for federal fiscal year homeland security grants are available for administrative purposes. OHS indicates that it plans to spend 3 percent on grant administration.

LAO Recommendation. It is important for OHS to monitor and audit the homeland security grants to ensure that state and local agencies are spending the funds consistent with approved grant proposals. This monitoring would also provide additional information to the Legislature on the state's homeland security efforts. The LAO recommends that the Legislature approve the administration's request for additional staff to manage the OHS homeland security grant programs.

Staff Comments. No issues have been raised regarding this request.

Action.

Approved as budgeted. Vote: 3-0

6. Funding for the State Strategic Committee on Terrorism (SSCOT).

Background. In 1999, the state created the State Strategic Committee on Terrorism (SSCOT), which was coordinated by the state Office of Emergency (OES) and responsible for guiding the state's preparedness and response to terrorism. The *2001-02 Budget Act* provided \$562,000 from the General Fund to OES and three positions to support SSCOT's efforts. In subsequent years, the funded amount was reduced to \$284,000. The SSCOT was eventually disbanded because it was unable to provide the comprehensive approach to homeland security. In February 2003, an executive order was issued that established the Office of Homeland Security (OHS) to coordinate the state's antiterrorism activities.

LAO Recommendation. Since the SSCOT no longer exists and the state can use federal funds to support homeland security activities, the LAO recommends that the Legislature reduce OES' General Fund appropriation by \$284,000.

Action.

Approved LAO recommendation to reduce GF by \$284,000. Vote: 3-0

0552 Office of the Inspector General

The Office of the Inspector General (OIG) has the responsibility for oversight of the state's correctional system through audits and investigations of the boards and departments within the Youth and Adult Correctional Agency. Chapter 969, Statutes of 1998, changed and expanded the role of the Inspector General and re-established the OIG as an independent entity reporting directly to the Governor. Chapter 736, Statutes of 2004 (SB 1400, Romero), established the Bureau of Independent Review within the OIG, which ensures that internal affairs cases of the CDC and the CYA are handled in a timely and professional manner, through the oversight of investigations and employee discipline at these departments.

OIG – Summary of Program Expenditures					
(dollars in thousands)					
Program	2003-04	2004-05	2005-06	Change	Percent Change
Office of the Inspector General	\$4,903	\$8,859	\$8,980	\$121	1.4%
Unallocated Reduction	0	0	-137	-137	n/a
Totals	\$4,903	\$8,859	\$8,843	-16	-0.2%
Authorized Positions	39.7	52.0	52.0	0	0.0%

Budget Request. The budget proposes \$8.8 million for the OIG, which is a decrease of \$16,000 (0.2 percent) from estimated current-year expenditures. There are no major adjustments proposed in the budget for the OIG.

Unallocated Reduction. The budget proposes an unallocated reduction of \$137,000, or 1.5 percent of the OIG's budget. The OIG indicates that the unallocated reduction will be taken from its operating expense and equipment budget. Specifically, the OIG will reduce its general expense, printing, communications, in-state travel, and consultation and professional services interdepartmental and external allocations.

Discussion Issues

1. Status Update on Operations – Informational Issue

In the past several years, the OIG has undergone a number of changes, including changes in the number of staff and the budget for the office. Chapters 733 (SB 1342), 734 (SB 1352), and 736 (SB 1400), Statutes of 2004, made changes to the duties and responsibilities of the OIG.

Budget Adjustments from Previous Years. The OIG has gone from a budget of \$10.9 million and 97 positions in 2001-02 to \$4.9 million in 2003-04. Last year, the OIG was initially proposed to be eliminated with 6 positions and \$630,000 moved to the YACA budget. Later, the budget was restored to provide 52 positions and \$8.9 million.

Staff Comments. Due to the downsizing and the proposed elimination of the office, over half of the OIG's current positions have been hired in the current year. In addition, statutory changes from last year have made changes in the duties and responsibilities of the OIG. The Subcommittee may wish to get an update on the OIG's ability to hire staff and implement new programs such as the Bureau of Independent Review.

Informational Issue.

2. Development of a Workload Budget.

Background. Chapter 733, Statutes of 2004 (SB 1342) established specific requirements and protocols for the OIG to follow when conducting investigations. The Governor's budget indicates that in order to implement the legislation and ensure that the OIG has the appropriate level of resources, the OIG in consultation with the Department of Finance is in the process of developing a methodology for producing a workload budget. The OIG indicates that this methodology and associated funding needs will be provided as part of the May Revise.

Staff Comments. The Subcommittee may wish to get an update from OIG on the status of the methodology for producing a workload budget.

Action.

Budget for OIG held open pending workload budget proposal.

0550 Secretary for Youth & Adult Correctional Agency

The Youth and Adult Correctional Agency (YACA) includes the Department of Corrections, Department of the Youth Authority, the Board of Prison Terms, the Youthful Offender Parole Board, Board of Corrections, Prison Industry Authority, the Narcotic Addict Evaluation Authority, and the Commission on Correctional Peace Officers' Standards and Training. The Agency provides communication, coordination, and budget and policy direction for the departments and boards.

Budget Request. The total proposed budget for the Youth and Adult Correctional Agency is \$2.8 million, which is a decrease of \$28,000, or 1 percent, from estimated current-year expenditures. The YACA is funded entirely from the General Fund. Last year, the Legislature increased funding for YACA from \$1.2 million to \$2.8 million and added 12 positions in order to provide oversight and policy direction to the departments within the agency. The increase was funded through reductions to both CYA and CDC, and YACA had indicated that the agency had been borrowing positions from the agencies to perform necessary oversight.

YACA – Summary of Program Expenditures					
Program	(dollars in thousands)			Change	Percent Change
	2003-04	2004-05	2005-06		
Secretary for Youth and Adult Correctional Agency	\$1,220	\$2,801	\$2,816	\$15	0.5%
Unallocated Reduction	0	0	-43	-43	n/a
Total	\$1,220	\$2,801	\$2,773	-\$28	-1.0%
Authorized Positions	7.5	20.8	20.8	0	0.0%

1. Information Item -- Implementation of Parole Reforms at CDC.

At a joint hearing of the Budget Subcommittee and the Select Committee on the California Correctional System on February 23, 2005, the Subcommittee heard testimony on the budget impact of the delays in implementing the new parole model and the parole accountability reforms from the last two years.

As part of the January budget, the CDC requested a current-year deficiency of \$207.5 million. Of that amount, \$71.9 million was directly attributable to implementation delays and over-estimated savings of the Parole Accountability reforms.

The January budget assumes that the CDC will achieve savings of \$29.3 million in the current-year as a result of the Parole Accountability reforms. Of that amount, the current-year budget assumes savings of \$25.8 million from the modification of discharge practices. To the extent that these savings are not achieved, the current-year deficiency will increase.

Information Issue

2. Information Item -- Allocation of the \$95 Million Reduction to Inmate and Parole Programs.

The budget for CDC proposes a reduction of \$95 million to inmate and parole programs. This amount represents a reduction of 28 percent from inmate and parole programs. The reductions to inmate and parole programs could include cuts to substance abuse programs, inmate or parolee employment programs, academic education programs, and vocational education programs. No Finance Letter regarding the allocation of this reduction has been received by the Legislature.

To the extent that the reduction in inmate and parolee programs has an impact on the ability to place inmates in work or education programs, or to reduce recidivism, there will be increased costs to CDC as a result of the reduction.

The Subcommittee may wish to ask what programs are being considered for reduction/elimination and what the anticipated timeline for allocating the reduction to various programs.

Information Item

3. Information Issue -- Evaluation Funds Provided in CDC Budget

Last year, the Legislature approved an augmentation of \$650,000 in the budget for CDC for research and evaluation. Budget bill language was also approved indicating that the funds were for establishing performance measures and evaluating the effectiveness of various prison and parole reforms. Prior to expenditure of the funds, CDC was required to report to the Legislature with a plan specifying how the CDC will use these funds.

Staff Comments. The CDC has not yet provided a report with how it intends to use these evaluation funds. The Subcommittee may wish to ask YACA to provide an update on the status of the report and the plans for using the evaluation funds.

Informational Issue.

4. Future Fiscal Liabilities at CDC. Current Deferred Maintenance Backlog and Leave Liability.

Some of the institutions have indicated that over the past few years, budget constraints have created a backlog of deferred maintenance projects. The CDC reports that while its special repair budget is \$10 million, it has identified over \$135 million in unfunded special repair at its institutions. Many of the unfunded projects include things like roof repairs, water quality and waste discharge repairs that are becoming problems because regular maintenance for such projects have been put off due to budget constraints.

The Subcommittee may wish to ask what actions is YACA taking to remedy this problem?

Another potential fiscal liability relates to the outstanding leave liability within the CDC. In January 2006, the retirement benefits for correctional officers will increase, which could lead to a very sharp increase in the number of retirements from the correctional officer ranks. The Subcommittee may wish to get an estimate of the leave liability for employees at CDC.

Informational Issue

5. Status of Juvenile Justice Reform Proposal.

The Governor's Budget Summary indicates that the administration is working with local government and other stakeholders in the juvenile justice system to develop a comprehensive plan to reform California's juvenile justice system and to redefine the role of the CYA, but no specific plan is included in the budget. Potential changes that are being evaluated include shifting responsibility for supervising youthful offenders on parole from CYA jurisdiction to the counties; limiting the types of offenders that can be sent to the CYA; and establishing a new direction for the CYA that focuses on the most serious offenders and those in most need of mental health and sex offender treatment.

The Subcommittee may wish to ask YACA about the status and timeframe for a proposal from the Administration?

Informational Issue.

6. Custody Employees at CDC

The CDC has approximately 3,200 positions assigned to its headquarters in Sacramento and regional administrative offices throughout the state. These positions are filled by a combination of staff with peace officer classifications—including, correctional officers, higher-ranking custody staff, and parole agents—as well as non-peace officer employees.

LAO Findings. The LAO reports that most headquarters positions are involved in the oversight, planning, or coordination of activities in CDC prisons and parole units. The duties of these positions are primarily administrative and analytical—not custodial—and involve tasks such as generating and reviewing reports, developing policies, coordinating activities in the field, and managing the department's budget.

The LAO notes that according to information from the State Controller's Office, 880 of the total headquarters and regional office positions are filled with peace officer personnel. Of these, a couple hundred are actually field assignments that report to headquarters for administrative reasons, such as correctional officers who transport inmates among institutions. The LAO

estimates that approximately 600, or about 20 percent, of actual headquarters positions are filled with custody employees performing administrative duties. By comparison, the LAO indicates that some other states with large penal systems report much lower usage of peace officers in their headquarters. For example, officials from Florida and Texas report that less than 5 percent of their headquarters is staffed with peace officers.

Based on the LAO's review of CDC's administrative positions, the LAO believes that the department could reasonably reduce its percentage of peace officer positions in headquarters and regional offices by at least 3 percent. This level of reduction would be achieved through the reclassification of 100 peace officer positions to noncustody positions. Moreover, the reclassification of 100 positions would result in about \$1.3 million in savings in the budget year if implemented by January 1, 2006. Partial-year savings are assumed to allow the department sufficient time to identify the appropriate positions and negotiate with the affected employee unions. These savings would grow to approximately \$2.5 million on an annual basis beginning in 2006-07. The department could also achieve these savings by eliminating some positions, or through a combination of reclassification and elimination of positions.

In addition, the LAO believes that the department should develop a policy that as headquarters positions become vacant in the future, the department will use noncustody staff in those positions and only use custody staff when the majority of work duties clearly require peace officer status or field experience.

Analyst's Recommendation. The LAO recommends that the Legislature adopt supplemental report language requiring the department to report by January 1, 2006, regarding both the position changes made to achieve savings of \$1.3 million in 2005-06, as well as the steps taken to ensure that positions that are vacated in the future are filled with noncustody classifications whenever possible. The following language is consistent with this recommendation:

Item 5240-001-0001—California Department of Corrections. The California Department of Corrections shall submit a report to the Legislature on or before January 1, 2006, on the conversion of peace officer positions in headquarters and regional offices to non-peace officer positions, consistent with the recommendations of the Legislative Analyst's Office and the *Analysis of the 2005-06 Budget Bill*. The report shall include the following: (1) a list of the positions in headquarters and regional offices that were reclassified or eliminated; (2) an estimate of the budget impact of these reclassifications and eliminations; and (3) the department's plan for ensuring that future position vacancies are filled with non-peace officer classifications whenever possible.

Informational Issue.

5480 Commission on Correctional Peace Officers' Standards and Training

The objective of the Commission on Correctional Peace Officers' Standards and Training (CPOST) is to enhance the training and professionalism of California's state correctional peace officers through the development of sound selection practices and effective, competency-based training programs.

CPOST is composed of six commissioners serving four-year terms. Two commissioners are appointed by, and represent, the management of the Department of Corrections, and one commissioner is appointed by, and represents, the management of the Department of the Youth Authority. Three Commissioners are appointed by the Governor upon recommendation by, and representing the membership of, the California Correctional Peace Officers' Association. Since of July 1, 2000, the CPOST has been separate from the Youth and Adult Correctional Agency, functioning as an independent entity within this agency.

CPOST – Summary of Program Expenditures					
	(dollars in thousands)				
Program	2003-04	2004-05	2005-06	Change	Percent Change
Commission on Correctional Peace Officers' Standards & Training	\$1,022	\$1,132	\$1,156	\$24	2.1%
Unallocated Reduction	0	0	-18	-18	n/a
Total	\$1,022	\$1,132	\$1,138	\$6	0.5%
Authorized Positions	7.6	8.3	8.3	0	0.0%

Budget Request. The budget proposes total expenditures of \$1.1 million from the General Fund and 8.3 positions to develop, approve, and monitor selection and training standards for California's correctional peace officers. This amount is an increase of \$6,000 or 0.5 percent above estimates current-year expenditures. In 2002-03, the CPOST budget was \$2.1 million with 11.7 positions.

Staff Comments. Pending the May Revise reallocation of resources within the YACA agencies, staff recommends holding open the budget form CPOST.

Action.

Budget held open pending May Revise proposal.

5460 Department of the Youth Authority

The goals of the California Youth Authority (CYA) are to provide public safety through the operation of secure institutions, rehabilitate offenders, encourage restorative justice, transition offenders back to the community, and support local government intervention programs.

Youth Authority -- Funding Sources					
Funding Sources	(dollars in thousands)				Percent
Program	2003-04	2004-05	2005-06	Change	Change
General Fund	\$322,877	\$320,079	\$315,460	-\$4,619	-1.4%
General Fund, Proposition 98	36,097	35,859	34,510	-1,349	-3.8%
Lottery Education Fund	209	316	316	0	0.0%
Federal Trust Fund	1,075	2,232	1,568	-664	-29.7%
Reimbursements	58,682	49,848	48,346	-1,502	-3.0%
Totals	\$418,940	\$408,334	\$400,200	-\$8,134	-2.0%

Budget Overview. The Governor's Budget proposes expenditures of \$400.2 million, a decrease of \$8.1 million, or 2 percent from the current year. Of the total, \$350 million is General Fund, which is a decrease of \$6 million, or 1.7 percent below the current year. Of the General Fund appropriation, \$34.5 million is General Fund- Proposition 98, a decrease of \$1.3 million, or 3.8 percent, from current year expenditures. Authorized positions are proposed to be 3,860.4, which would be a decrease of 105 positions from the current year. This reduction is primarily due to an estimated decrease in the ward population. The budget estimates that it will receive \$48.3 million in reimbursement in 2005-06. Of this amount, the budget assumes \$25 million in reimbursements will come from fees that counties pay for the wards they send to the CYA.

Youth Authority Program Expenditures					
Spending by Program	(dollars in thousands)				Percent
	2003-04	2004-05	2005-06	Change	Change
Institutions and Camps	\$328,661	\$315,120	\$310,525	-\$4,595	-1.5%
Parole Services	43,030	43,845	41,209	-2,636	-6.0%
Education Services	44,871	46,595	44,522	-2,073	-4.4%
Youth Authority Board	1,509	3,231	3,251	20	0.6%
Administration	27,537	31,711	31,040	-671	-2.1%
Distributed Administration	-26,668	-31,063	-30,347	716	-2.3%
Unallocated Reduction		-1,105	0	1,105	-100.0%
Totals, All Programs	\$418,940	\$408,334	\$400,200	-\$8,134	-2.0%
Authorized Positions	4,164.6	3,965.4	3,860.4	-105.0	-2.6%

Overview

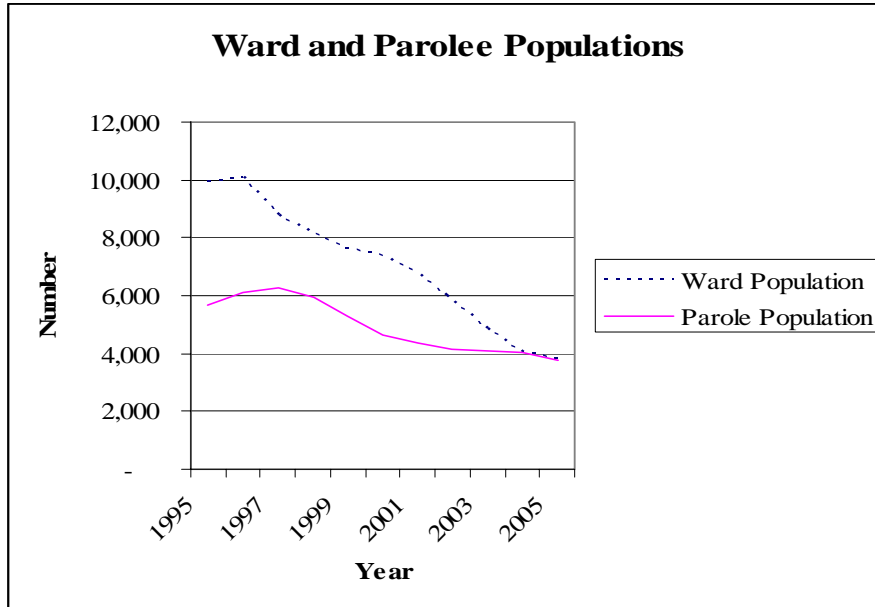
CYA at a Glance.

Characteristics of the CYA population as of June 30, 2004 (Showing Percentages of Totals)	
Category	Percentage
Gender	
Male	95.0
Female	5.0
Court of Commitment	
Juvenile	96.8
Criminal	3.2
Top Five Counties of Commitment	
Los Angeles	24.5
San Bernardino	7.2
Fresno	5.9
Riverside	5.4
Alameda	5.0
Commitment Offense	
Violent Offenses	59.3
Property Offenses	21.8
Drug Offenses	3.9
Other Offenses	15.5
Admission Status	
1 st Commitment	84.5
1 st Return	11.4
2 nd Return	3.4
3 rd Return or more	0.7
Ethnicity	
Hispanic	49.5
African American	29.5
White	15.5
Asian	3.3
Other	2.3
Average Age (years)	19.3

Historical Population Trends

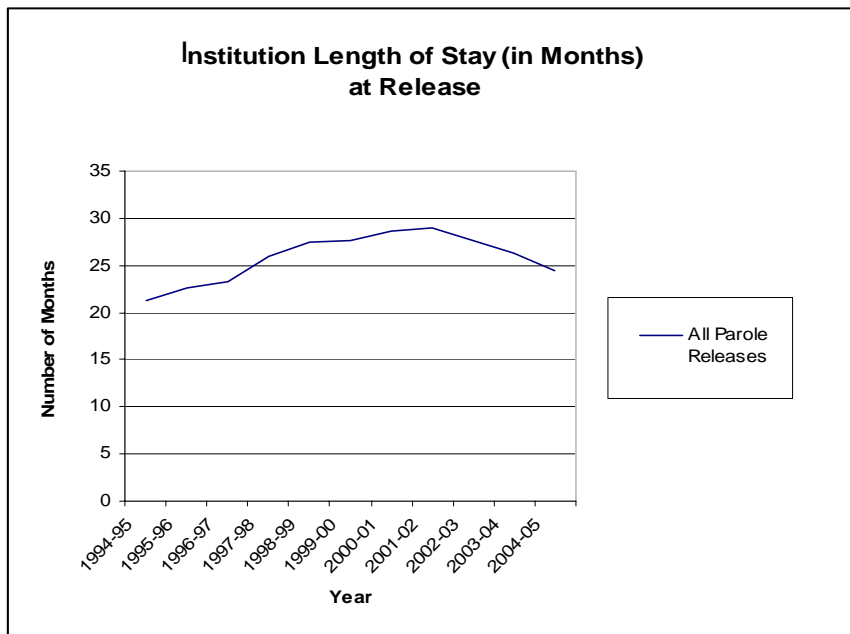
As can be seen in the table on the next page, the ward population has reduced in recent years from 10,114 wards at the end of 1995-96. The ward population as of March 2, 2005 is 3,318.

The parole population has reduced in recent years from 6,249 at the end of the 1996-97 fiscal year. The parole population as of January 2005 was 4,007.

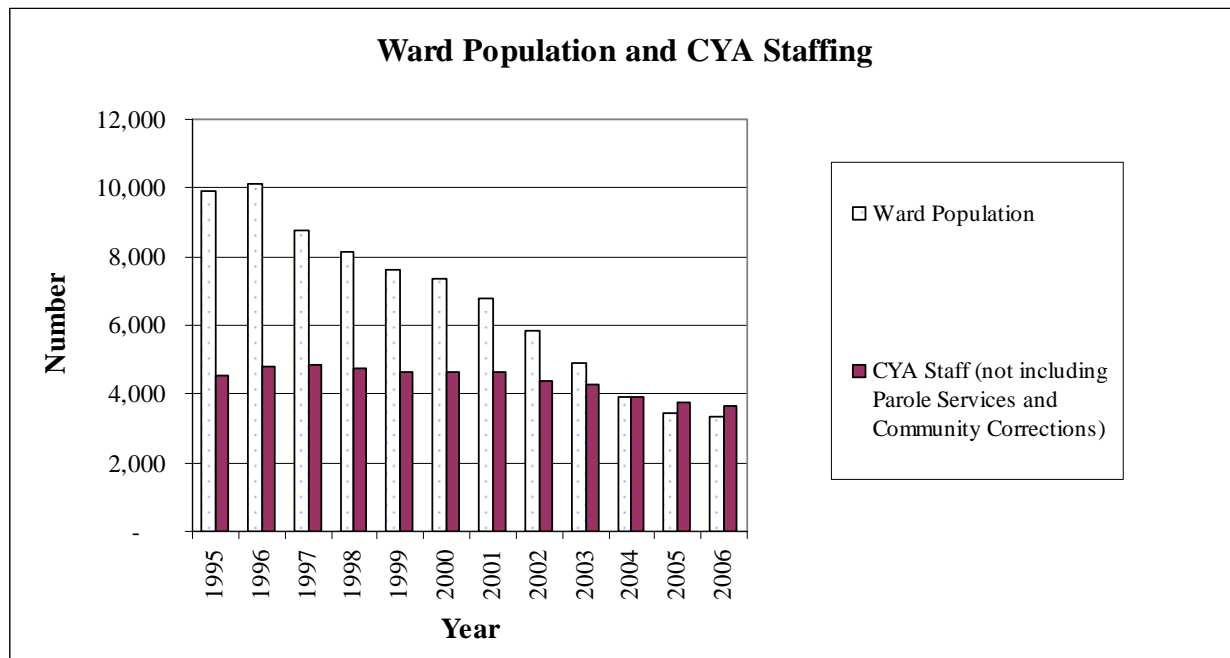


Average Length of Stay

The average length of stay has been decreasing for the last several years. In 2000-01, the average length of stay was 29 months. In the current fiscal year through January 2005, the average length of stay was 24.5 months. The Fall projections estimate that this trend will continue with the average length of stay approaching 23.7 months by fiscal year 2008-09.



Staff Resources at CYA. As can be seen in the table below, in the last eleven years, the staff ratios for CYA have changed significantly.



In the current year, the staff ratio (excluding Parole and Community Corrections staff) is approximately 11:10. The CYA indicates that this ratio better approximates the staffing ratios in other states than historical staffing ratios. The following table shows a staffing ratio comparison with 5 other states that officials of CYA visited in 2000.

Survey of Staffing Ratios from 5 States in 2000			
State	Total Employees	Institution Population	Staff:Ward Ratio
California	5,212	7,113	7:10
Texas	5,064	5,540	9:10
New York	3,049	2,239	14:10
Ohio	2,031	2,021	1:1
Illinois	1,495	1,893	8:10
Pennsylvania	1,193	727	16:10

Average Cost Calculation. This is not an official statistic but rather an average cost per ward calculation based on total CYA expenditures minus parole services divided by the estimated ward population at the end of the fiscal year. The calculation was \$76,157 in 2002-03 and \$96,685 in 2003-04. The average cost is projected to be \$106,265 in the current year, and \$107,805 in the budget year.

Computed Per-Capita Costs. Based on the current-year budget, CYA has calculated the per capita cost as \$71,700, as shown in the following ward per capita cost chart. The chart breaks out major program elements within CYA's budget. The Per-Capita cost does not include funding for parole services or administration.

CYA 2004-05 Ward Per Capita Cost Chart		
Element	Amount	Percentage
Casework	\$3,585	5%
General Population	4,302	6
Mental Health	11,472	16
Formal Drug Programs	287	0.4
Special Management Program	1,434	2
Medical	3,585	5
Training	143	0.2
Religion	287	0.4
Security	12,906	18
Business Operations	2,151	3
Feeding	2,868	4
Plant Operations	4,302	6
Subsistence and Personal Care	15,057	21
Education	9,321	13
Total	\$71,700	100%

- *Casework.* Includes individual and group counseling, therapy sessions, and such programs as Work Experience/Employability Skills Training, and recreational/cultural activities.
- *General Population.* The eight institutions and three Youth Conservation Camps must operate 24 hours a day every day of the year and provides core basic programs.
- *Mental Health Treatment.* These programs are intended for individuals with serious emotional needs and whose treatment needs cannot be met solely in a basic program. It includes the Intensive Treatment Program, Sex Offender Program, Specialized Behavioral Treatment Program, Correctional Treatment Program, Intercare Facilities, General Population Out-patient, and Specialized Counseling Program.
- *Formal Drug Programs.* Provides substance abuse treatment needs.
- *Special Management Programs.* Includes Youth Conservation Camps, Lock-up Units, Pre-Camps and the Foster Grandparent Program.
- *Medical.* This includes general medical care plus dental care.

- *Training.* Includes the cost of basic academy for peace officers.
- *Religion.*
- *Security.* Includes security staff, detention and transportation costs.
- *Business Operations.* Includes Facilities Operations and other administrative functions.
- *Feeding.* The Youth Authority provides three meals a day.
- *Plant Operations.* The eight secure institutions and three Youth Conservation Camps must operate 24 hours a day every day of the year. Ward crews augment professional staff to help with institutional maintenance.
- *Subsistence and Personal Care.* Includes the cost of clothing, laundry and other personal care items, such as towels, toilet paper, etc.
- *Education.* Includes academic and vocational education teachers and support costs.

April 1 Finance Letters for CYA.

The Legislature received a number of April 1 Finance Letter proposals for the CYA. The Finance Letter requests will be reviewed and discussed at a future meeting. Due to the *Farrell v. Allen* Consent Decree, there will be a number of changes in the operations of the CYA, and the budget for the CYA will change significantly by the time of the May Revise. One example from the April Finance Letters is a request for an additional \$17.1 million to implement the Education Remedial Plan required by the lawsuit.

1. CYA Population Estimates.

Ward Population Estimates. The proposed budget estimates that the ward population will decrease by 465 (12 percent) below previous estimates for the current year to 3,430 wards on June 30, 2004. The budget for 2005-06 is based on estimates that the ward population will decline by another 100 wards (3 percent) in the budget year, resulting in a ward population of 3,330 by June 30, 2006. The ward population has reduced in recent years from 10,114 wards at the end of 1995-96. Long-range projections call for the institution population to slowly decrease to a total ward population of 3,045 by June of 2009.

Parolee Population Estimates. The proposed budget estimates that the parole population will decrease to 3,790 by the end of current year, a slight increase above the number previously estimated in the budget – 3,755. The proposed budget projects the parole population to decrease by 340 cases to 3,450 by June 30, 2006. The department attributes the expected decrease to the declining institution population that will result in fewer parole releases. The parole population has reduced in recent years from 6,249 at the end of the 1996-97 fiscal year. The population projections estimate the parole population to steadily drop to 2,970 by June 30, 2009.

Spring Population Projections Estimate Reductions in CYA Populations. The CYA has recently released its Spring population projections. The institution population is projected to be 3,040 on June 30, 2005, a decrease of 390 wards from the Fall projections. The Spring projections estimate that the institution population at the end of the budget year will be 2,615, a decrease of 715 wards from the amount assumed in the January budget proposal. The Spring Projections estimate that the ward population will decrease to 2,255 by June 30, 2009. The parole population is projected to decline more slowly, decreasing by 75 from the estimate in the January budget to 3,375 parolees. The parole population is now projected to decrease to 2,410 by June 30, 2009.

Budget Request. The budget proposes a reduction of 140.5 positions, an increase of \$186,000 General Fund, and a reduction of \$11.7 million in reimbursements due to the projected decline in CYA population.

LAO Recommendation. The LAO notes that the Administration's juvenile justice reform proposal will have an affect on the CYA's population projections. The LAO recommends that the Legislature direct the Youth Authority to incorporate, into its spring population projections an estimate of the impact of the Governor's policy proposals on CYA's future population.

Staff Comments. The budget impact of the new Spring Projections, and any other policy changes will be released with the May Revise.

Action.

Held open pending May Revise.

2. DNA Request

Budget Request. The budget proposes an increase of 1 position and \$525,000 in one-time funding for costs associated with the implementation of the new Proposition 69 DNA initiative passed by the voters in November 2004.

Issue. The CYA has indicated that it plans to collect buccal samples from parolees beginning in the budget year. The request assumes that parole agents will require overtime pay to collect the DNA samples. The ALO notes that parole agents currently collect drug test samples from parolees while they are performing their monthly parole contact visits.

LAO Recommendation. The LAO notes that one advantage of the buccal swab is its ease of use. The LAO believes that parole agents could collect a parolee's sample during a routine visit without the use of overtime. The LAO recommends a reduction of \$119,000 for parole agent costs.

Action.

Issue held open

3. Camp Closures/Conversions

Budget Request. The budget proposes the closure of the Ben Lomond Youth Conservation Camp (located in Santa Cruz), the Washington Ridge Youth Conservation Camp (located in Nevada City) and the Preston Youth Correctional Pre-Camp (Located in Ione) by March 2005 for an estimated savings of \$2.3 million in the current year and \$6.7 million in the budget year. The administration proposes to convert these camps into adult conservation camps for Level I and Level II inmates during the current year.

Issue. The LAO notes that the savings may be overstated because of delays for closing the camps in the current year. The LAO indicates that the CYA will likely close the camps in May rather than March. Also the budget proposes conversion to accommodate adult inmates but provides no details regarding the cost of the proposal.

LAO Recommendation. The LAO recommends that the CYA report on the the cost and timing of the proposed conversion and modification, and the fiscal and population related impact to the CDC budget.

Action.

Held open pending additional information at the May Revise.

5460 California Youth Authority

Capital Outlay

Budget Request. Budget includes \$3.6 million from the General Fund for the following capital outlay purposes:

CYA Capital Outlay Requests				
	Project	Location	Phase	General Fund
1	Budget Packages and Advance Planning.	Statewide		\$250,000
2	Fire Protection Sprinkler Systems. Proposal to install sprinkler systems in housing units and buildings. Total costs for this project are estimated at \$13.6 million.	Statewide	PP	\$646,000
3	Central Kitchen Renovation of Floor and Blast Chillers. Proposal to replace existing concrete floor and blast chiller system. Total costs are estimated at \$1.2 million.	NCYCC	PP, WD	\$197,000
4	Minor Capital Outlay Projects.	Statewide		\$2,500,000
	Total			\$3,593,000

PP – Preliminary Plans

WD – Working Drawings

Staff Comments. The LAO indicates that they no longer have any issues with these projects.

Action.

All capital outlay issues held open.